



cooperative governance & traditional affairs

Department:
Cooperative Governance and Traditional Affairs
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2013/2014

(01 July 2013 – 30 June 2014 of MIG funds)



mig | Municipal
Infrastructure
Grant

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OKHAHLAMBA MUNICIPALITY

Section MIG Falls under: Technical Services

INTRODUCTION

- 1.1 The Municipal Infrastructure Grant compliments the equitable share grant for local government, however, it is provided conditionally to municipalities.
- 1.2 Every municipality and municipal entity must prepare an annual report for each financial year in accordance with the municipal Finance Management Act (MFMA) and, during the MFMA transitional period, the Division of Revenue Act and the Municipal Systems Act 2000.
- 1.3 The purpose of the annual report is:
 - to provide a record of the activities of the municipality or entity;
 - to provide a report on performance in service delivery and budget implementation; and
 - to promote accountability to the local community.
- 1.4 The MFMA requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals.
- 1.5 The annual report is a key performance report to the community and other stakeholders
- 1.6 Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, service delivery and budget implementation plan (SDBIP), in-year reports and annual report should have similar and consistent structures to facilitate understanding and to enable the linkage between plans and actual performance
- 1.7 **The objectives of the evaluation are...**
 - the collection and consolidation of a range of financial and nonfinancial information about the municipality.
 - It provides an authoritative record of the activities and performance of the municipality for each financial year.
 - It will serve as a key historic record for each municipality revealing the progress, growth and development of municipal services and performance.

BACKGROUND

A. Overall description of the programme:

- Programme history :

1.1 **KEY PRINCIPLES:**

The Municipal Infrastructure Grant complements the equitable share grant for local government, however, it is provided conditionally to municipalities.

- a) **Focus on infrastructure required for a basic level of service;**
- b) **Targeting the poor;**
- c) **Maximising economic benefits:** ie be managed to ensure that the local economic spin-offs through providing infrastructure are maximised. This includes employment creation and the development of enterprises.
- d) **Predictability and transparency:** Funds should be provided to individual municipalities on a three-year basis, consistent with medium term budgeting practice, with minimal in-year changes and with year to year changes based only on clearly defined conditions

1.2 **MIG PROGRAMME OBJECTIVE:**

In the context of the principles outlined above, the key objectives of the Municipal Infrastructure Grant are to:

- a) fully subsidise the capital costs of providing basic services to poor households: this implies that priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services;
- b) distribute funding for municipal infrastructure in an equitable, transparent and efficient manner, which supports a co-ordinated approach to local development and maximises developmental outcomes;

- c) assist in enhancing the development assist in enhancing the developmental capacity of municipalities, through supporting multi-year planning and budgeting systems; and provide a mechanism for the co-ordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectorally fragmented grants.

1.3 **PROJECT/PROGRAMME CONCEPT, DESIGN AND PLAN :**

- The programme implementation are based on the concept that MIG will not fund specific projects, but is designed to complement the capital budgets of municipalities (similar to the provincial infrastructure grant). Reporting on spending will therefore be on the entire capital budget of municipalities, which also has to ensure that there are sufficient operational budgets in the future to fund such capital expenditure. Individual national line departments will continue to lead the monitoring and support of implementation in their specific functions and priorities.
- The Mig programme provides the framework, the resources and the means to realize on of our most pressing goals – the eradication of Poverty. Only households with an expenditure of below R 1 100 per month qualify for MIG support
- Backlogs in services has been identified through communication with all Stakeholder links within Organizational structure

1.3.1 This initiative for the project / backlog eradication identified are then approved on a priority scale by the Municipality and listed in the ' Integrated Development Plan (IDP) 'document

1.2.2 The involvement of the council and councilors (Ward committees) in the project are by means of a Project steering committee which is set up in terms of Council Resolution

Institutional processes for implementation of the projects are:

Ward Committee meetings.

Steering Committee meetings.

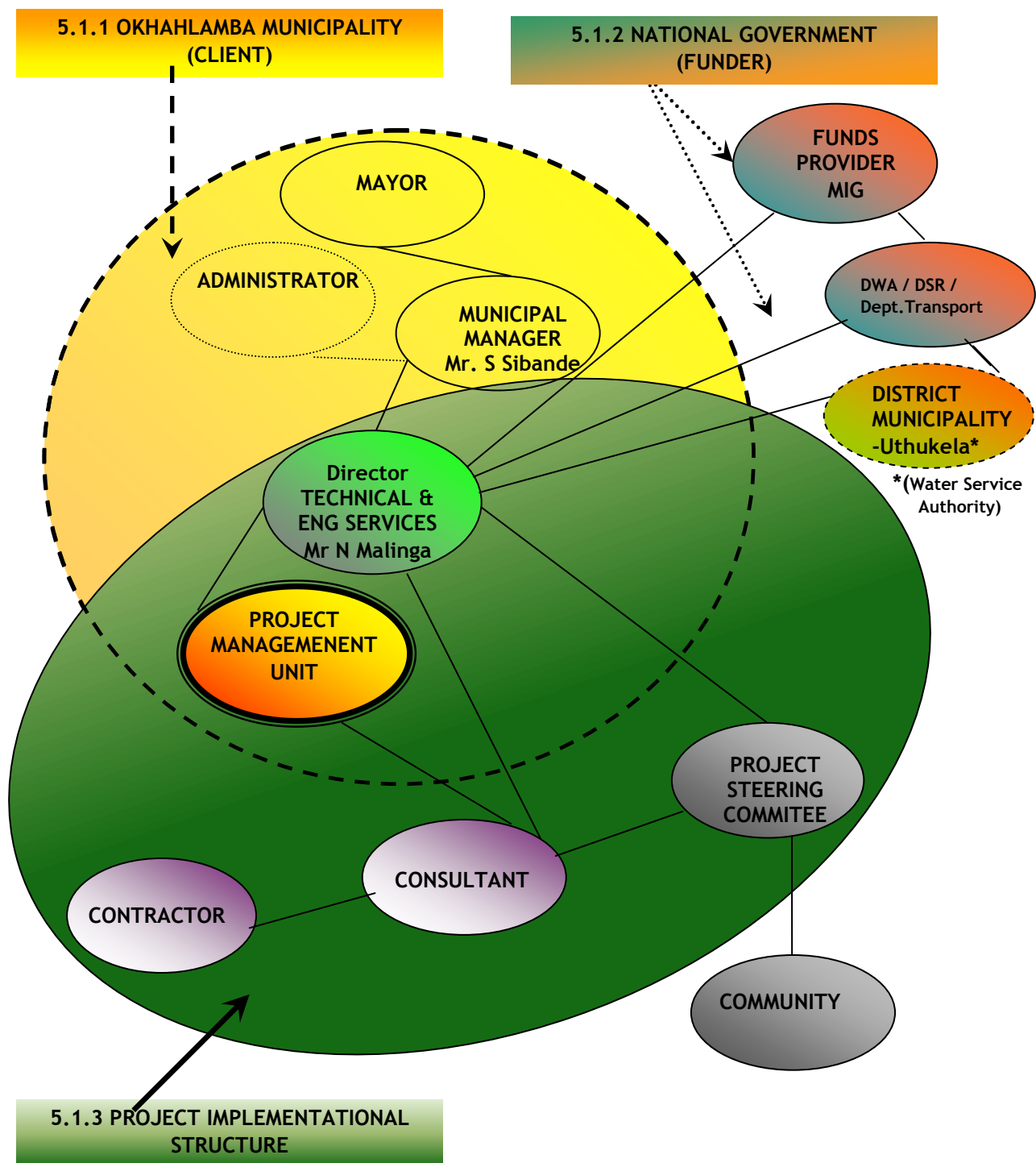
Technical meetings.

Technical coordination between MIG

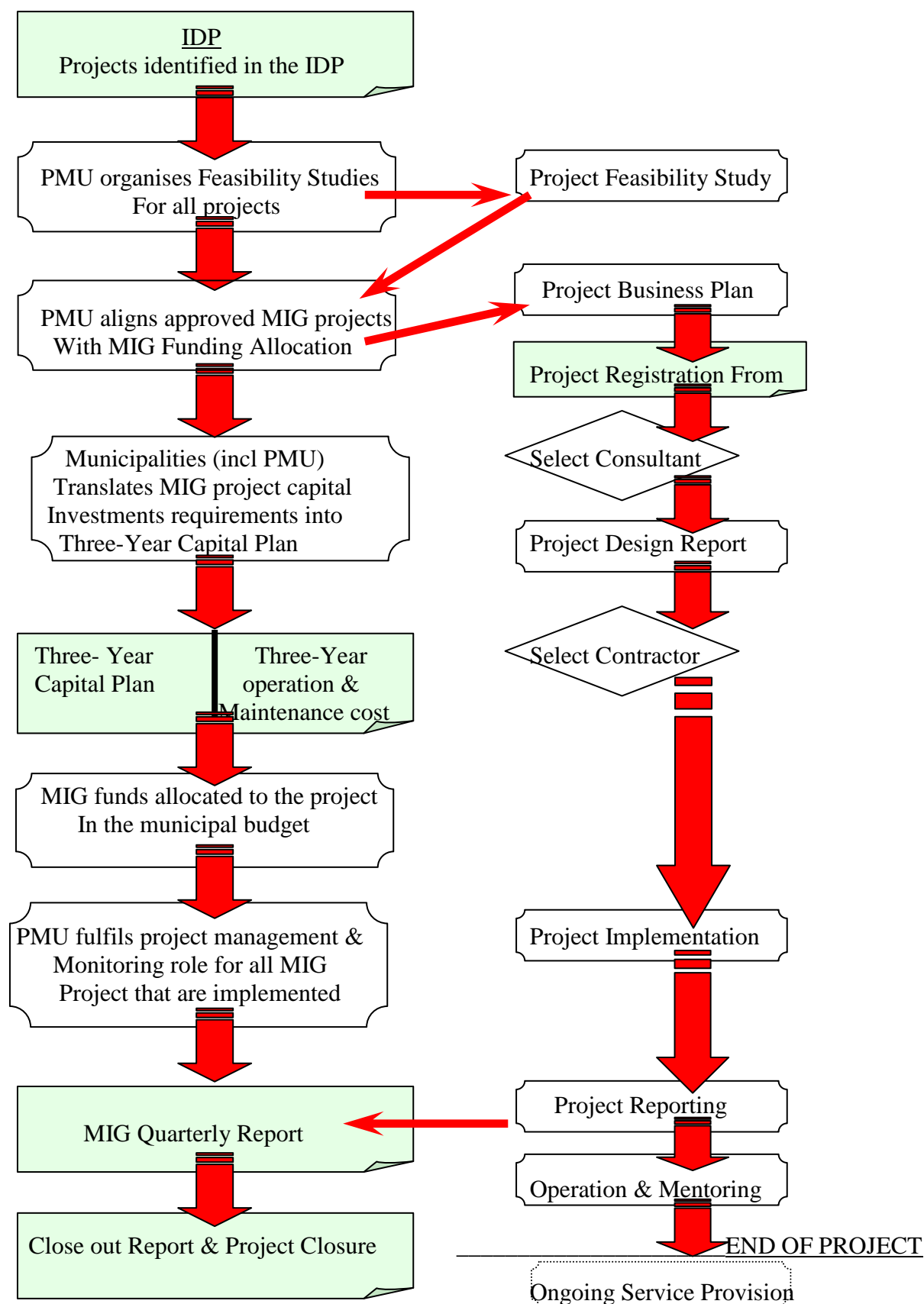
Other relevant Department ie Roads etc... will also be invited to the technical and site meetings.

1.2.3 The Municipality Mayoral / Council Committees approves the projects, will be handled by the Technical and Engineering Department (PMU), from the Initiation to Completion and handing over off the structures to the community

(i) ORGANIZATIONAL STRUCTURE + STAKEHOLDER = PROJECT



MIG PROGRAMME PROCESS & PROJECT LINK DIAGRAMME



1.4 **START DATE – DURATION OF THE PROGRAMME**

The Mig Programme was started in : April 2006, and will be implemented , as per population growth ie. infra-structure needed and funding available.

1.5 **AMOUNT ALLOCATED FOR PAST 3 YEARS :**

ALLOCATION & COMMITMENT SUMMARY			
Financial year	2009 / 2010	2010 / 2011	2011 / 2012
Total MIG Allocation	13,771,212.81	15,924,179.49	19,153,000.00
Total Committed	13,771,212.81	11,541,018.69	13,489,628.82
Total Variance	0.00	4,383,160.80	5,663,371.18

Financial year	2010/11	2011/12	2012/13	2013 / 14
Total MIG Allocation	15,924,179.49	19,153,000.00	23,233,000.00	24,610,000.00
Total Committed	11,541,018.69	13,489,628.82	24,825,000.00	24,610,000.00
Total Variance	4,383,160.80	5,663,371.18	+ 1,592,000.00**	0.00

to ***NOTE :** The amount of : R 1,592,000.00 from un-spend form 2011/2012 was transferred back municipality in May 2013*

1.5.1 **Comments:**

- a) **The amount of : R 0.00 was unspent in 2009 / 2010 ie. NO roll over funding into 2010/11**
- b) The amount of : R 4,383,160.80 was unspent in 2010/2011 and a request was submitted to National Treasury for application as 'rolled over' into 2011/12 but, NOT APPROVED and submitted from the November 2011 'Equitable Share'
- c) 2012/2013 – The Municipality achieved 100% Expenditure....as well
 - An amount of : R 1,592,000.00 from un-spend form 2011/2012 was transferred back to municipality in May 2013
- d) 2013/2014 - The Municipality achieved 100% Expenditure

1.6 **EXPENDITURE SUMMARY FOR 2013 / 2014 :**

1.6.1 **Comments:**

- a) The Total Expenditure of R 24,610,000.00 has been Certified by submitting Actual Proof of Payments on a monthly target dates to Cogta, Mig offices .

1.7 **KEY CHALLENGES SINCE ONSET OF PROGRAMME AND CURRENT CHALLENGES:**

- 1.7.1 The municipality was and still is experiencing challenges regarding infrastructure mainly due to the lack of funding for this purpose as well as the rural nature of the Municipality.
- 1.7.2 The current funding that is utilized mainly for the infrastructure development is obtained from the Municipal Infrastructure Grant, which is allocated by the Department of Corporative Governance and Traditional Affairs. The infrastructure is predominantly for roads, community structures ...however, there are noticeable backlogs that still need to be quantified for the Municipality to address these backlogs effectively.
- 1.7.3 The delivery of basic service infrastructure remains the top priority of the Okhahlamba Municipality
 - There is a huge disparity in provision of services and there is a major service backlog within the area of Okhahlamba Municipality.
 - There is also a lack of maintenance of existing infrastructure.

- This is evident in the poor condition of roads due to poor standard of storm water management and lack of maintenance.
- Transport routes concentrated along major arterial routes (R74).

1.7.4 Certain key challenges was experienced in this year (2013 / 2014) of implementing projects / programme:

- The poor performance of certain appointed contractors on project, resulted in slow start of expenditure
- The slow performance resulted in an 'Action- / recovery plan' being implemented, bottlenecks on the SCM such as objection and re-prioritization of projects has been fast-tracked
 - although late in implementation the process was now on track to start with implementation
 - Non-performance contractors where inline with GCC either terminated or negotiation such as Cession approved.
- The understanding and implementation of Mig guidelines to fit within current municipal framework resulted in specific bottlenecks identified ie.
 - Procurement procedures / Adjudication (SCM),
This can be a timeously procedure depending on type of project and Tender amounts received as well as Committee member commitments
 - Finance department involvement in payment procedures and producing required documents ie proof of payments
- Delay in EIA approvals as well as conflict of project identification and construction of projects by other Sectors such as Dept of Roads, where they have allocated funds for projects at same location as internally identified and planned.

1.7.5 As all projects carries a Risk factor ie..weather, politics etc... the programme is being implemented as Planned and risk factors managing as it arises.

EVALUATION AS PER THE PRACTICE NOTE

PART 1: PROGRESS TO DATE :

Results based management principles should be used as the underlying principles to evaluate interventions and outcomes:

PS: The identification and approval of projects and their priorities in line with the IDP lies solely with the Council

1.1 Describe set up and actions undertaken by various actors during 2011/12,

As the backlogs had already been captured in the Municipal IDP and projects identified to be implemented within that financial year the main functions were with the Technical Department and was to:

- Monitor ongoing projects carried over from previous year and implementation of new year projects
- Capture and submit Project application (Mig 1) to Provincial offices and follow up on approval as to implements as per planned Implementation plans.
- Ensure that Procurement ie. Advertising and appointments are on time
- Keep line of communication with all stakeholders on the progress of projects...scheduled meetings, approval of claims by consultant and ensure on time submission of claims to PMU for submittance to Mig offices, ensure that claims (invoices) are with Finance department and payment of service providers, provide feedback and identify possible risks that could delay implementation.
- Ensure that all target dates regarding Mig guidelines (claims and reports) are met.

1.2 Describe the management of the programme

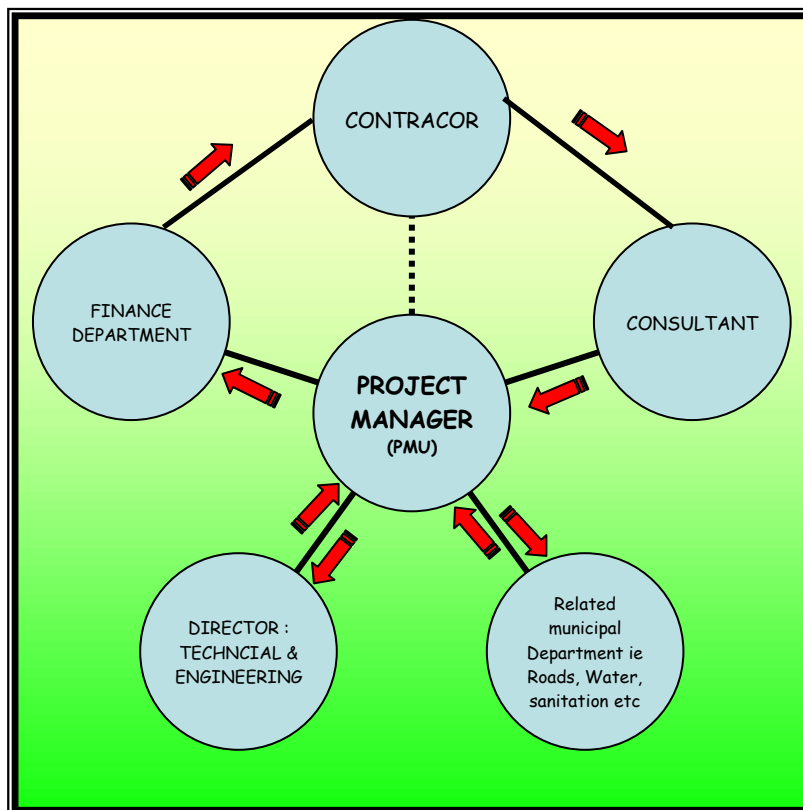
- The programme was from the start seen as a major financial tool to assist the Municipality, to not only eradicate the backlog but also facilitate future infra-structure development, directly linked to basic service provision.
- Thus resulting in supporting the organizational structure, specifically the Technical Department.
 - More emphasis has also been put on the appointment of Consultants, with specialized experience and knowledge of the Mig programme, project administration and - managements.
 - Assisting the Finance department on accurate figures of expenditure and a tool for auditing purposes
 - Providing feedback as required by Council and any other organizational enquiries
- As the programme also create a temporary job creation it made it ideal for skills transfer especially in deep rural areas...in some instances contractors has taken on labour to permanently work for them.
 - This is a critical part of Skills transfer and benefits the area and communities as some skills can be utilized within the household.

PART 2: **MONITORING**

2.1 **TECHNICAL and PMU DEPARTMENT ** see also 'C'**

- The Technical department is responsible for all Technical related issues within their specific service delivery scope ie. roads & storm water, Town planning & council buildings Water & sanitation (Although not water service authority), electricity, as well as the co-ordination & managing of Capital Funding towards Service Delivery.
- The Director of Technical Department is direct responsible for all capital funded projects and therefore sign off on all claims / payments to Consultants & Contractors, before sending it through to the PMU consultant for MIG submittance preparation as well as to the Finance Department for payment.
(He will only sign if process has been followed:

(iii) Figure 1 – **CERTIFICATE / CLAIM APPROVAL PROCESS**



- iv) **Contractor** – compile Invoices for Work done as per Consultants approval, give through to consultant for verification,
- v) **Consultant** - verify all quality and quantities, day to day Site and project managing as well as scope according to appointment and contract, compile necessary Forms as required by Client (ie Bill of Quantities, specs of scope) and give through to Technical Department,
- vi) **Technical Department** - verify all quality and quantities as submitted by consultant, Site-, project managing approving of claims . Attend site meetings and site handovers and provide monthly feedback to council on progress. Director to sign of and submit to PMU
- a) **Roads & Storm water** department is responsibly to :-
- Provide the scope & specifications on the work that needs to be done for this project , and clearly define the responsibility of the Consultant in this project
 - Approve all Detailed designs (DRW's)
 - Approve the Scope & Specifications of the Work, for the "Request for Bids" to Contractors as compiled by the Consultants
 - The Director has to delegate a representative from the Department to form part of the Project team : Recommended–Technician
 - will be responsible to verify quality of work as per specifications
 - verify claims as handed in by consultants as per bill of quantities for contractors, by doing site inspection.
 - attend project meetings and give feed back to Manager and/or Dep. Director
 - Accompany Consultant on Site inspections, such as verification , ie all related issues to department responsibilities on specific service specifically the final site Inspection & site Take over.
 - Will be responsible to sign of all claims ,Certificates of Completion, variation in scope before being processed by PM for payment by finance.
 - Provide the Consultant / Contractor with 'contractor connection' for water at Site Office and verify proper sanitation in order for all labour.
- b) **Electrical** Department :- example
- Provide all information on existing electrical services and requirements to be noted during construction
 - Provide the Provide the Consultant / Contractor with 'contractor connection' for electricity at Site Office and verify proper sanitation in order for all labour.
- ***This is crucial as service will be taken over by that department for operation & maintenance after completion***
- vii) **Project Manager (PMU)** – (70% Project Administration /leading &30% technical)
PS: also refer to pnt. 2.2 (B)

A	Task Description
1A	<p><u>Mig-MIS SYSTEM CAPTURING SKILLS DEVELOPMENT :</u></p> <p><u>- Covering:</u></p> <ul style="list-style-type: none"> • MIG 1 – Business Plan Application • Mig 4 - Consultant Registration • Mi g 5 – Contractor Registration • Mig 6 – Request for Payment : Consultant • Mig 8 – Request for Payment : Contractor • Mig 9 – Physical Completion • Mig 10 – Request for Payment : Retention • AFA / VO – Application • Project Budget Maintenance <p>Basic understanding of all Mig processing and requirements ie:</p>

2	<ul style="list-style-type: none"> • Cashflow (Commitment and planning / updating) • Implementation plans (Commitment and planning/ updating) • Claim forms : <ul style="list-style-type: none"> - Mig certificate - Required documentations - Dora & cert of expenditures
B	SPECIFIC PMU-RELATED FUNCTION AVAILABLE (contracted)
1.	<u>MIG REPORTS:</u>
i.	<u>CASH FLOW:</u> <ul style="list-style-type: none"> - Reconciliation of all current expenditure - Monthly Updating and Capturing of claims/expenditure - Capturing and populating expenditure of new / future MIG Projects - Assisting with Project planning , to balance Drawdown of yearly - Allocation = Commitment (as per DoRa and IDP) - Submission to Provincial Offices & Municipality
ii	<u>IMPLEMENTATION PLAN (IIP):</u> <ul style="list-style-type: none"> - Reconciliation of all current progress / milestones - Monthly Updating and Capturing achievements - Capturing and populating of new / future MIG Projects - Assisting with Project planning , to balance Drawdown of yearly - Allocation = Commitment (as per DoRa and IDP) - Follow up & Submission to Provincial Offices & Municipality
iii	<u>DORA Report:</u> <ul style="list-style-type: none"> - Monthly Updating and Capturing of requirements - Capturing and populating Reasons for Variances - Allocation = Commitment (as per DoRa and IDP) - Follow up & Submission to Provincial Offices & Municipality
iv	<u>CERTIFICATES OF EXPENDITURE:</u> <ul style="list-style-type: none"> - Monthly Follow up & Verification - Allocation = Commitment (as per DoRa and IDP) - Drawdown Notification to Municipality & Provincial Offices
v)	<u>OTHER REPORTS:</u> *NOTE: This item is a variable and to be claimed as such le. Over above.(additional) <ul style="list-style-type: none"> - Annual Mig Performance reports - Mig Presentations (Province) - Action Plans - All adhoc Report as required
2.	<u>MIG PROJECT CLAIMS:</u>
i	<ul style="list-style-type: none"> - Monthly compiling of MIG Project Claims to COGTA format (as received from Municipality/Consultant) Incl : Complete Mig Forms, Municipal Invoice, Payment register, Proof of Payments Registers * As required by CoGta guidelines - Submit to provincial offices PMB
ii	<u>PROOF OF PAYEMENT REGISTER:</u> <ul style="list-style-type: none"> - Monthly compiling of MIG Proof of Payments for Project Claims (as received from Municipality Finance) - Submit to provincial offices PMB
3.	<u>MIG PROJECT FUND EXPENDITURE TRACKING:</u> <ul style="list-style-type: none"> - Implementing an Expenditure Tracking Register per project - Monthly Updating and Capturing of claims/expenditure
4.	<u>MIS SYSTEM : (MIG) – This is a variable /per item/task</u>
i	<ul style="list-style-type: none"> - Capturing of new Business Plan : Mig 1
ii	<ul style="list-style-type: none"> - Capturing of AFA and Variation Orders (Budget maintenance) - Registering of appointed Consultants and Contractors : Mig 4 & 5
iii	<ul style="list-style-type: none"> - Monthly capturing and updating of Request for Payments for both Contractors and Consultants, Mig 6 & 8

5.	Monthly Updating and COMPILING OF A REPORT TO THE MUNICIPALITY ON – Capturing of claims/expenditure and Cash flows and ‘MIS’ project status
6	<u>ATTENDING SITE OR OTHER RELATED PROJECT MEETING/VISITS:</u> <ul style="list-style-type: none"> - Monthly Municipal Planning Session - Council meeting (on request) - Project Site meeting - Provincial (Cogta) meetings
7	<u>PROJECT MANAGEMENT FUNCTIONS:</u> As per PMBOK / PRONCE ie Project Lifecycle <ul style="list-style-type: none"> - Managing and administration assistance - Risk managing - assistance

2.2 **OTHER DEPARTMENTS RESPONSIBILITIES / ROLES:**

A) TOWN PLANNING / BUILDING CONTROL : ** incorporated with Technical Department **

- (i) Provide all land use issues, including LG plans- indicating stand sizes and co-ordinates, zoning and all conditions needed to apply to.
- (ii) Indicate Stand to be used for Site Establishment for contractor and engineering offices for duration of contract.
- (iii) The Deputy Director has to delegate a representative from the Department to form part of the Project team : Recommended–Town planner.,
 - will be responsible to verify pegs of stands
 - attend project meetings and give feed back to Manager ,
 - Accompany Consultant on Site inspections if required, ie all related issues to department responsibilities on specific service specifically the final site Inspection & site Take over.
- (v) Will be responsible to sign off quality of Brick structures through the Building inspectors (NBR)

B) PROJECT MANAGEMENT UNIT – (PROJECT MANAGER) / TECHNICAL DEPARTMENT *

- i) The appointed Project Manager responsibly to verify that :-
(70% leading / 30% Working ie technical)
 - All Business plan for the Funds has been submitted to the Funder and is inline with all requirements (IDP /Council resolutions etc.)
 - Register project on Record’s Data base / tracking Forms & Open Project File
 - Establish requirements for Project Team (members) by means of negotiation and formal communication methods (memo’s, presentation, meetings etc) ***
 - Produce, manage & control ,a Project base Working Programme of all Lifecycle goals (milestone / target date) of project in line with Funder requirements ie. availability of funding (financial year)
 - Scope is inline with objective and deliverable as approved in the Project Statement
 - Get all stakeholders input and approval by arranging meeting if requested by Technical Director (will be formal meeting)
 - Monitor the Procurement Procedures from approval of RFQ document (Bid Specification Committee), advertising, site inspection, closing of tender, evaluation process (Bid Evaluation Committee / Adjudication Committee), for the Appointment of Consultant and Contractor.
 - Confirm with Finance and provide finance with all necessary financial information and provide projected cash flow of projects to ensure service provider payments
 - Ensure the establishment of the Project Steering Committees ie all members as well as the appointment of a Community Liaison officer through the MMC of TES office is in place.
 - Assist with information for the drawing up Appointment Letters for Consultant and Contractor and give through to Dir. Technical Services as well as the Municipal Manager for Signatures.

- Assist with ontime sending of Appointment Letter through to Consultant & Contractor
 - Note and if required arrange and set up Site Handover / Project Handover with all Stakeholders as well as process of Project termination on completion of projects.
 - Confirm Roles & Responsibilities of all Stakeholders as well as clear line of communication for reporting ***
 - Monitor all Lifecycle phases of project specifically on the Budget / Time ie 'Consolidate & simplify project data and provide consistent project information on the project progress'. (Budget / Time)
- (Administrative responsibility for deciding & overseeing Functional Areas of project)
- Implement, establish , promulgate and facilitate all Project Management Processes (ie Bidding, Risk analysis, selection process, reports, contracts etc)..if so required by DES
 - Ensure the applying of National Occupational Health & Safety Act
 - Vindication of Regulations and Policies
 - Project data capturing & processing
 - Project Document Management
 - Reporting to National / Provincial / Municipal spheres on Project
 - Compliance with Funder requirements

C) CORPORATE SERVICES DEPARTMENT

- i) This Department is not directly involve in the Technical decision process of the project, but more in the administrative part.
- ii) They are involved in the Bid process of the project :-
 - Registering & providing the Project Registration Numbers
 - Putting the advertisement in the news papers, bulletin boards (MFMA)
 - Opening & registering of all Bid Documents received for evaluation.
- iii) Document Management in cases where correspondence not directly received by PMU and Technical department, they will register and forward this information.
- iv) Project file management & archiving – after completion / terminating of project.
- v) Verifying all legal matter concerning the appointment letters / agreements
- vi) Intervene in legal disputes that might arise between client / contractor as well as legal disputes where court orders has been obtained against the contractor and supplier (ie direct payments to supplier or service provider of the contractor)
- vii) Legal assistance in cases of termination of contract / contract breach etc.
- viii) They also attend all monthly steering committee meetings to monitor Risk identified and comment & implement specific safety related issues.

D) FINANCE DEPARTMENT

- i) This Department is not directly involve in the Technical decision process of the project, but more in the administrative part.
- ii) Allocate and maintain income & expenditure of funding per project budget allocation
- iii) Balancing, Auditing & reporting on funding expenditure to National / Provincial and Municipal spheres
- iv) Implementing and Complying to Policies & Acts as required by National Treasury (DORA Report / MFMA)
- v) Financial Document Management & Archiving (Certificates / Claims / Invoices)
- vi) Control of Project Retention amount for the retention period (12 months)
- vii) Control of Project Surety amount for the contract period until completion
- viii) Processing of all invoice/claims and executing direct payment process to the relevant Service providers by means of electronically banking method or Cheques.

PART 3: WHAT ARE THE RESULTS AND WHO BENEFITED?

For the financial year 2011/2012 the backlogs eradicated were, by means of implementing & completing the following project:

• 4 x Road Projects

Provincial Reference Number	ROADS : Project Title	Unit completed (KM)	Approved MIG Funding	Actual Project Cost (Tender sum + fees)	Potential Savings	Previous year Expenditure	Total 2013/2014 Expenditure	Balance to 2014/2015 (Final / Retention)	Comments
2011MIGFK235200991	Nkqazini Gravel link Road - Rehabilitation (Ward 3)	3.50	3,402,000.00	3,402,000.00	0.00	292,452.63	2,901,877.83	207,669.54	*Final Retention to be paid in 2014/15
2011MIGFK235201010	Nkomfeni Gravel Road - Rehabilitation (Ward 10)	2.45	1,939,224.00	1,347,683.80	591,540.20	140,000.00	1,207,683.80	0.00	
2011MIGFK235200997	Eganganeni Link Gravel Road - Rehabilitation (Ward 6)	3.30	2,562,450.00	2,341,340.87	221,109.13	1,667,174.07	588,312.97	85,853.83	*Final Retention to be paid in 2014/15
2012MIGFK235200986	Maswazini Gravel Road - Rehabilitation (Ward 1)	5.50	4,474,536.00	4,154,750.15	319,785.85	1,039,804.76	3,114,945.39	-0.00	
								0.00	
2013 / 2014 backlog completed		14.75							

• 5 x Community hall & Crèche Facility

Provincial Reference Number	COMMUNITY FACILITIES : Project Title	Unit completed	Approved MIG Funding	Actual Project Cost (Tender sum + fees)	Potential Savings	Previous year Expenditure	Total 2013/2014 Expenditure	Balance to 2014/2015 (Final / Retention)	Comments
2011MIGFK235200990	Nokopela Community Hall and Creche Facility (Ward 2)	1	1,905,308.53	1,905,308.53	0.00	155,730.62	1,291,282.51	458,295.40	*Final Retention paid 2014/15
2011MIGFK235200994	Sandlwana Community Hall and Creche Facility (Ward 5)	1	1,905,308.53	1,709,143.13	196,165.40	1,058,813.77	580,450.51	69,878.85	*Additional Work
2011MIGFK235201000	Nsukangihale Community Hall and Creche Facility (Ward 7)	1	1,905,308.53	1,905,308.53	0.00	0.00	1,584,020.35	321,288.18	*Final Retention paid 2014/15
2011MIGFK235201012	eMhlambosini Community Hall and Creche Facility (Ward 11)	1	1,905,308.53	1,905,308.53	0.00	140,391.15	1,684,285.20	80,632.18	Project completed *Practical completion claim paid in 2014/15
2011MIGFK235200999	Ezimbokodweni Community Hall and Creche Facility (Ward 6)	1	1,955,308.53	1,872,234.41	83,074.12	1,154,102.89	582,721.00	135,410.52	*Final Retention paid 2014/15
								0.00	
2013 / 2014 backlog completed		5							

• 1 x Other : Taxi Rank

Provincial Reference Number	OTHER : Project Title	Unit completed	Approved MIG Funding	Actual Project Cost (Tender sum + fees)	Potential Savings	Previous year Expenditure	Total 2013/2014 Expenditure	Balance to 2014/2015 (Final / Retention)	Comments
2008MIGFK235121887	Winterton Taxi Rank	1	4,415,020.61	4,284,060.88	130,959.73	438,900.00	3,670,380.84	174,780.04	*Final Retention to be paid in 2014/15
2013 / 2014 backlog completed		1							

**** Currently in process of accessing backlog status (figures as per 3 year municipal priority list)**

BACKLOGS		2009 / 2010	2010/ 2011	2011 / 2012	2012 / 2013	2013 / 2014
ROADS & STORMWATER	325.0km	6.2 km	0.8 km	6.5 km	14.1 km	14.75 km
LOW WATER BRIDGES	15	0	0	1	1	0
CRECHE	2	0	0	2	0	0
COMMUNITY HALL / CRECHE	15	0	0	1	3	5
MULTI PURPOSE FACILITY	4	0	2	0	0	0
TAXI RANK	1	0	0	0	0	1

• **2013/14 PROJECT IMPLEMENTED & ROLLED TO.... 2014/2015**

Provincial Reference Number	2013/14 PROJECT IMPLEMENTED & ROLLED OVER TO 2014/2015	% completed	Approved MIG Funding	Actual Project Cost (Tender sum + fees)	Potential Savings	Previous year Expenditure	Total 2013/2014 Expenditure	Balance - 2013/2014 Rolled over	Comments
2010MIGFK235191556	Bergville Tarred Roads (11km)	0%	14,300,000.00	14,300,000.00	0.00	9,574,508.36	2,171,612.13	2,553,879.51	Phase 3 - to be completed
2011MIGFK235201004	Reserve B - Vehicle Bridge Rehabilitation (Ward 8)	53%	1,200,000.00	1,200,000.00	0.00	103,157.89	537,594.36	559,247.75	Construction - poor performance
2011MIGFK235201009	Rookdale Community Hall and Creche Facility (Ward 10)	6%	1,905,308.53	1,905,308.53	0.00	113,015.98	0.00	1,792,292.55	Tender
2013MIGFK235200993	Magangangozi Community hall & Creche Facility (Ward 14)	7%	1,905,308.53	1,905,308.53	0.00	0.00	133,000.00	1,772,308.53	Tender
2013MIGFK235201001	Kwa-Sgubhu Vechile Bridge (Ward 7)	9%	1,200,000.00	1,200,000.00	0.00	0.00	103,526.29	1,096,473.71	Tender
2013MIGFK235201002	EMAFUSENI GRAVEL ROAD- Rehabilitation (Ward 7)	0%	2,381,712.50	2,381,712.50	0.00	0.00	0.00	2,381,712.50	Design
2013MIGFK235200998	MORATHABA GRAVEL ROAD & CAUSEWAY - REHAB (Ward 6)	100%	3,536,312.50	165,056.39	3,371,256.11	0.00	165,056.39	0.00	Tender
2013MIGFK235201005	SITHEBA GRAVEL ROAD - REHABILITATION (Ward 8)	7%	2,471,962.50	2,471,962.50	0.00	0.00	182,354.40	2,289,608.10	Tender
2013MIGFK235201007	RESERVE-C GRAVEL ROAD & CAUSEWAYS - REHABILITATION	0%	2,411,518.98	2,411,518.98	0.00	0.00	0.00	2,411,518.98	Design
2013MIGFK235219526	MAHAMBEHLALA GRAVEL ROAD - REHABILITATION (WARD 11)	48%	2,464,780.00	2,464,780.00	0.00	0.00	1,192,008.62	1,272,771.38	Construction
2013MIGFK235201107	NTABENI (POTSINI) GRAVEL ROAD- Rehabilitation (Ward 12)	0%	1,454,840.00	1,454,840.00	0.00	0.00	0.00	1,454,840.00	Design
2013MIGFK235201014	KWA-LUSENI GRAVEL 'RING' ROAD- Rehabilitation (Ward 11)	11%	2,812,643.80	2,812,643.80	0.00	0.00	306,899.44	2,505,744.36	Tender
2014MIGFK235224210	Khefani Community Hall - Ward 1 (Winterlorn)	1%	7,720,626.00	7,720,626.00	0.00	0.00	70,381.42	7,650,244.58	Tender
2014MIGFK235224319	Kekeni Gravel Access Roads: Rehabilitation (Ward 05)	5%	3,919,211.00	3,919,211.00	0.00	0.00	187,500.00	3,731,711.00	Tender
2014MIGFK235224320	Emaphophaneni Gravel Road: Rehabilitation (Ward 08)	5%	3,283,073.00	3,283,073.00	0.00	0.00	150,000.00	3,133,073.00	Design
2014MIGFK235224321	Enafisini Gravel Road: Rehabilitation (Ward 07)	5%	3,500,965.00	3,500,965.00	0.00	0.00	187,500.00	3,313,465.00	Design
2011MIGFK235201006	Ngubhela - Vehicle Bridge Rehabilitation (Ward 9)	100%	907,000.00	77,970.17	0.00	77,970.17	0.00	0.00	Project Cancelled - Dept of Roads doing bridge
2013 / 2014 Rolled over to 2014/2015									

BACKGROUND

- For the Okhahlamba Municipality the MIG programme forms a integrate part of financial assistance to eradicate previous backlog as well as planned infra-structure developments schemes.
- It also highlighted the shortfalls within the municipality but served as a learning curve for all future projects as well as planning.
- As this is an ongoing process and challenges will still arise, specific incidents have resulted in the identification and implementation of processes in the organization to manage and identify the risks in a early stage. This in hand will prevent possible future under spending.

LESSON LEARNED

The most important lesson learned is that MIG is made of projects and a Project Success depends on good communication regarding Project goals, responsibility & Authority being made clear from start of project to all involved.

i) **Acquiring : - Adequate Resources**

- Manage, control, supervise & co-ordinate all resources:- from the initial resources budgeted for on each task and taking in consideration that there will be resource trade-offs.
- Crisis can occur that require special resources not budgeted for by the project proposers, due to their natural optimism – Identify as a Risk and allow for these as part from the Unforeseen /Contingency Cost on the project.

ii) **Acquiring & Motivation Project Team:-**

- Clearly identify needs related to WHO has to form part of “Perfect Project Team”
- Negotiate all terms of project with all (time, responsibility, chain of reporting etc) clearly with not just HOD of other departments or Institutions also with person themselves
- Keep all motivated from beginning to end BUT only inside limits of project as they are borrowed and NO commitments can be made

iii) **Dealing with Obstacles:-**

- Establish firm ground rules on encountering any probable obstacles within in the project ie to be communicated early and in a formal way as to start preventative action rather before – all team members are specialized in their field and can contribute to minimize failure of project
- Communicate all aspect of the project (Objective, Deliverables, Quality, Risks, Variations, Time & Budget) to all involved and keep them updated. (ie strong problem orientation & discipline orientated)
- Especially near project completion all team members must be alert to any possible changes

v) **Manage Failure and the Risk and Fear of Failure:-**

- Distinguish between project failure, partial failure and success ie what appears to be a failure at one point in the
- Allowing for contingencies in the project budget and schedules.

vi) **Breath of Communication:-**

- PM is liaison between all stakeholders and even non-stakeholders ie outside world (not directly on Project Team)
- Must be certain and understand all fundamental issues:-
 - must know *Why* project exist
 - must have clear definition of *How Success or Failure* is to be determined
- Build , Establish and maintain solid information network
 - le.. must be aware of all inside as well as outside happenings around project meaning complaints, criticism ,strikes etc
 - . Inadequate information / involvement can blind to an incipient crisis just as excessive information can desensitize the PM to early warnings of trouble.

RECOMMENDATIONS

- As for the Recommendations all, of the above will be seen as positive recommendations to be implemented and utilized to make success of MIG programme.
- Keeping in mind the main objective of programme .